391891 8.

# TECHNICAL BULLETIN No. 3

## CONTRACT DOCUMENTS

FOR

SMALL HOUSE CONSTRUCTION



REVISED FEBRUARY 1, 1938

FEDERAL HOUSING ADMINISTRATION WASHINGTON, D. C.

## To Prospective Home Owners

The National Housing Act, which established the Federal Housing Administration, created an *Insured Mortgage System*, which offers to borrowers the most liberal credit terms ever known in mortgage lending. Private funds—not Government moneys—are advanced on these loans.

Any responsible person with a steady income and a good credit record may borrow under the Insured Mortgage System. He pays off the loan in convenient monthly installments—often less than he now pays in rent—over a reasonably long period of years suited to his income. Terms involve a small down payment, with an insured mortgage to cover the balance.

The appraisal procedure of the Federal Housing Administration, made through one of its branch offices, is the basis for underwriting the loan. Each element of the loan is analyzed thoroughly. In new construction, inspections are made of materials and workmanship to assure compliance with the plans and specifications as approved by the Federal Housing Administration. The examination made of each loan acts to protect the home owner on matters affecting the value, stability, sanitation, and comfort of his home.

Those wishing to buy or to build a home under the Insured Mortgage System may consult the nearest office of the Federal Housing Administration or they may apply to a bank, building and loan association, or other lending institution, or to a reliable architect, builder, realtor, or building material dealer.

For further information, write direct to:

Federal Housing Administration Washington, D. C.

## CONTRACT DOCUMENTS

FOR

## SMALL HOUSE CONSTRUCTION

The experience of the Federal Housing Administration has shown the importance of well-drawn and complete contract documents upon which it can, with confidence, issue its commitment to insure a mortgage in cases involving new construction. The need for such contract documents would seem obvious. Despite this, it is found that many prospective home owners, very exacting in their usual business dealings, permit loose and irregular contractual agreements when building their homes. Such practices are liable to lead to unnecessary misunderstandings, legal entanglements, and other avoidable difficulties resulting in loss to the owner.

The Federal Housing Administration must take cognizance of the risks involved in such a procedure. To avoid these risks, it must take all precautions available to assure itself that the dwelling, the security upon which it makes a commitment to insure a mortgage, will be built as agreed upon when the commitment was made. It, therefore, requires that each application be accompanied by adequate contract documents. Only by such a procedure can it protect the mutual mortgage insurance fund of which it is the custodian.

This bulletin does not attempt to set forth the precise manner in which a set of contract documents should be written. It is intended to outline and describe the type, kind, and extent of the information which should be contained in a complete set of documents. The degree of detail to which working drawings and specifications should be developed is determined somewhat by the character of the structure to be built. A simple straightforward building will not require the same amount of detail or description as a more complicated one using a wide variety of materials.

It should be remembered that these documents are a protection not only to the Federal Housing Administration, but also to the home owner and the mortgagee as well as the builder. This bulletin is not intended to be a regulation but a guide to help create a realization of the value of well-drawn documents and to assist in

their preparation.

#### PROFESSIONAL SERVICE

The Federal Housing Administration cannot insist that an applicant use professional service when building his home. It does, however, recommend it, for no matter how attractive the plan may be, an inferior structure may result if professional services are not used in connection with the preparation of the contracts, plans, specifications, and the supervision of the actual construction to see that they are carried out as contemplated. While the Federal Housing Administration requires contract documents and makes an inspection to assure compliance with them for the protection of the insurance fund, it does not consider that these are substitutes for professional service.

### WHAT A CONTRACT SHOULD CONTAIN

Contract documents include the Agreement between the Contractor and the Owner, the General Conditions, the Specifications, and the Working Drawings. Before these documents are prepared, the laws of the State and the regulations and ordinances of the particular community covering building operations should be consulted. It is also important that these documents be properly prepared and filed as a protection to the owner against possible losses which might result from failure to present them to the proper local authority.

In preparing these documents, provisions should be included for each part of the building process as well as definite statements concerning the respective responsibilities of all persons signing the contract. Since these documents form the basis upon which all work is done and all costs are figured they must be specific and complete.

An examination of the Agreement and General Conditions between the contractor and the owner as shown on pages 4–7 will indicate the general type of document which should be drawn to cover the responsibilities of those who will be involved in the building process. While only the agreement with the contractor is described, a written agreement should be entered into between owner and architect, landscape architect, or other persons connected with the work in any contractual relationship.

It should be remembered that the **Agreement** between the contractor and owner used as an illustration in this booklet is only to be used when a stipulated sum forms the basis of payment. When other bases of payment are used such as the guaranteed cost plan, the Agreement will have to be modified accordingly.

The General Conditions cover matters concerning the relationship of the parties to the contract, the statement of the documents included in the contract, provisions for the correction of work improperly done, for insurance, and for the arbitration of disputes and other matters of this sort. The sample form of contract agreement and general conditions contained here has been furnished through the courtesy of the American Institute of Architects. It is a copyrighted form.

Specifications should amplify the plans or working drawings and should describe fully all process of the work, the quality of the materials, and the quality of workmanship to be required. The general conditions described in the foregoing paragraph are sometimes made a part of the specifications. The specifications proper should outline in detail the kind and quality of materials and equipment and the method and quality of construction used in the dwelling. A detailed description of what should be contained in an adequate set of specifications is outlined on pages 8–11.

Working Drawings should be accurate and complete. These drawings are extremely important as they are the basic documents. It is not enough that they show only the room arrangement. The working drawings as shown on pages 12–16 of this booklet will indicate the data which should be included on drawings submitted to the Federal Housing Administration for approval.

These drawings should consist of a plot plan, showing the location of the house on the lot, a section through the exterior wall showing the foundation construction, and the construction of eaves or coping, a basement plan, a first floor plan, and, if finished off, the second and third floor plans, together with elevations of each side of the dwelling. Plans and elevations of the garage, if any, should be included. Where stock items of millwork or cabinets are not used, detailed drawings should be provided for these items.

<sup>&</sup>lt;sup>1</sup>The type of construction shown on these drawings is not to be considered as preferred, nor is this a suggested set of plans. The drawings are presented merely as diagrams to show a method of presentation and the type of information required.

## THE A. I. A. SHORT FORM

FOR

### SMALL CONSTRUCTION CONTRACTS<sup>2</sup>

## AGREEMENT AND GENERAL CONDITIONS BETWEEN CONTRACTOR AND OWNER

Issued by The American Institute of Architects for use only when the proposed work is simple in character, small in cost, and when a stipulated sum forms the basis of payment. For other contracts the Institute issues the standard form of agreement between the contractor and owner for construction of buildings and the standard general conditions in connection therewith for use when a stipulated sum forms the basis for payment.

First Edition, copyright, 1936, by The American Institute of Architects, The Octagon, Washington D. C.
THIS AGREEMENT made the day of in the year Nineteen Hundred and, by and between hereinafter called the Contractor, and, hereinafter called the Owner.
WITNESSETH, that the Contractor and the Owner for the considerations hereinafter named agree as follows:  ARTICLE 1. Scope of the Work.—The Contractor shall furnish all of the material and perform all of the work for as shown on the (Caption indicating the portion or portions of work covered) drawings and described in the specifications entitled
prepared by, Architect, all in accordance with the terms of the contract documents.  Article 2. Time of Completion.—The work shall be substantially completed
ARTICLE 3. Contract Sum.—The Owner shall pay the Contractor for the performance of the contract subject to the additions and deductions provided therein in current funds, the sum of dollars (\$).  ARTICLE 4. Progress Payments.—The Owner shall make payments on account of the contract upon requisition by the contractor, as follows:
ARTICLE 5. Acceptance and Final Payment.—Final payment shall be due —————— days after completion of the work, provided the contract be then fully performed, subject to the provisions of Article 16 of the General Conditions.  ARTICLE 6. Contract Documents.—Contract documents are as noted in Article 1 of the General Conditions. The following is an enumeration of the drawings and specifications:

<sup>&</sup>lt;sup>1</sup> Reprinted by Courtesy of The American Institute of Architects.

#### THE A. I. A. SHORT FORM

#### FOR

## SMALL CONSTRUCTION CONTRACTS—(Continued) GENERAL CONDITIONS

ARTICLE 1. Contract Documents.—The contract includes the AGREEMENT and its GENERAL CONDITIONS, the DRAWINGS, and the SPECIFICATIONS. Two or more copies of each, as required, shall be signed by both parties and one signed copy of each retained by each party.

The intent of these documents is to include all labor, materials, appliances, and services of every kind necessary for the proper execution of the work, and the terms and conditions of payment therefor.

The documents are to be considered as one, and whatever is called for by any one of the documents shall be as binding as if called for by all.

ARTICLE 2. Samples.—The Contractor shall furnish for approval all samples as directed. The work shall be in accordance with approved samples.

ARTICLE 3. Materials, Appliances, Employes.—Except as otherwise noted, the Contractor shall provide and pay for all materials, labor, tools, water, power, and other items necessary to complete the work.

Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of good quality.

All workmen and subcontractors shall be skilled in their trades.

ARTICLE 4. Royalties and Patents.—The Contractor shall pay all royalties and license fees. He shall defend all suits or claims for infringement of any patent rights and shall save the Owner harmless from loss on account thereof.

ARTICLE 5. Surveys, Permits, and Regulations.—The Owner shall furnish an adequate survey of the property. The Contractor shall obtain and pay for all permits necessary for the prosecution of the work. He shall comply with all laws and regulations bearing on the conduct of the work and shall notify the Owner if the drawings and specifications are at variance therewith.

ABTICLE 6. Protection of Work, Property, and Persons.—The Contractor shall adequately protect the work, adjacent property, and the public and shall be responsible for any damage or injury due to his act or neglect.

ARTICLE 7. Inspection of Work.—The Contractor shall permit and facilitate inspection of the work by the Owner and his agents and public authorities at all times.

ARTICLE 8. Changes in the Work.—The Owner may order changes in the work, the contract sum being adjusted accordingly. All such orders and adjustments shall be in writing. Claims by the Contractor for extra cost must be made in writing before executing the work involved.

ARTICLE 9. Correction of Work.—The Contractor shall re-execute any work that fails to conform to the requirements of the contract and that appears during the progress of the work, and shall remedy any defects due to faulty materials or workmanship which appear within a period of one year from the date of completion of the contract. The provisions of this article apply to work done by subcontractors as well as to work done by direct employees of the Contractor.

ARTICLE 10. Owner's Right to Terminate the Contract.—Should the Contractor neglect to prosecute the work properly, or fail to perform any provision of the contract, the Owner, after seven days' written notice to the Contractor, may, without prejudice to any other remedy he may have, make good the deficiencies and may deduct the cost thereof from the payment then or thereafter due the Contractor, or, at his option, may terminate the contract and take possession of all materials, tools, and appliances and finish the

work by such means as he sees fit, and if the unpaid balance of the contract price exceeds the expense of finishing the work, such excess shall be paid to the Contractor, but if such expense exceeds such unpaid balance, the Contractor shall pay the difference to the Owner.

ARTICLE 11. Contractor's Right to Terminate Contract.—Should the work be stopped by any public authority for a period of thirty days or more, through no fault of the Contractor, or should the work be stopped through act or neglect of the Owner for a period of seven days, or should the Owner fail to pay the Contractor any payment within seven days after it is due, then the Contractor upon seven days' written notice to the Owner may stop work or terminate the contract and recover from the Owner payment for all work executed and any loss sustained and reasonable profit and damages.

ARTICLE 12. Payments.—Payments shall be made as provided in the Agreement. The making and acceptance of the final payment shall constitute a waiver of all claims by the Owner, other than those arising from unsettled liens or from faulty work appearing thereafter, as provided for in Article 9, and of all claims by the Contractor except any previously made and still unsettled. Payments otherwise due may be withheld on account of defective work not remedied, liens filed, damage by the Contractor to others not adjusted, or failure to make payments properly to subcontractors or for material or labor.

ARTICLE 13. Contractor's Liability Insurance.—The Contractor shall maintain such insurance as will protect him from claims under Workmen's Compensation Acts and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. Certificates of such insurance shall be filed with the Owner, if he so require, and shall be subject to his approval for adequacy of protection.

ARTICLE 14. Owner's Liability Insurance.—The Owner shall be responsible for and at his option may maintain such insurance as will protect him from his contingent liability for damages for personal injury, including death, which may arise from operations under this contract.

ARTICLE 15. Fire Insurance.—The Owner shall effect and maintain fire insurance upon the entire structure on which the work of this contract is to be done and upon all materials, in or adjacent thereto and intended for use thereon, to at least eighty per cent of the insurable value thereof. The loss, if any, is to be made adjustable with and payable to the Owner as Trustee for whom it may concern, except in such cases as may require payment of all or a proportion of said insurance to be made to a mortgagee as his interests may appear.

The insurance shall cover the following items and labor connected therewith, whether in or adjacent to the structure insured—materials in place or to be used as part of the permanent construction, including surplus materials, shanties or temporary structures, scaffoldings, and stagings, protective fences, bridges, forms, and miscellaneous materials and supplies necessary to the work.

The insurance shall not cover any tools owned by mechanics or any tools or equipment owned or rented by the Contractor, and the Owner shall not be responsible for any loss on such property.

ARTICLE 16. Liens.—The final payment shall not be due until the Contractor has delivered to the Owner a complete release of all liens arising out of this contract, or receipts in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to the Owner indemnifying him against any lien.

ARTICLE 17. Separate Contracts.—The Owner has the right to let other contracts in connection with the work, and the Contractor shall properly cooperate with any such other contractors.

ARTICLE 18. The Architect's Status.—The Architect shall have general supervision of the work. He has authority to stop the work if necessary to insure its proper execution. He shall certify to the Owner when payments under the contract are due and the amounts to be paid. He shall make decisions on all claims of the Owner or Contractor. All his decisions are subject to arbitration.

ARTICLE 19. Arbitration.—Any disagreement arising out of this contract or for the breach thereof, shall be submitted to arbitration, and this agreement shall be specifically enforceable under the prevailing arbitration law, and judgment upon the award rendered may be entered in the highest court of the forum, State or Federal, having jurisdiction. It is mutually agreed that the decision of the arbitrators shall be a condition precedent to any right of legal action that either party may have against the other.

The parties may agree upon one arbitrator; otherwise there shall be three, one named in writing, by each party of this contract within five days after notice of arbitration is served by either party upon the other, and a third arbitrator selected by these two arbitrators within five days thereafter. No one shall serve as an arbitrator who is in any way financially interested in this contract or in the affairs of either party thereto.

At the written request of either party, at any time prior to the complete appointment of arbitrators as provided above, or in the event of any default or lapse in the proceeding, the arbitration shall be held under the Standard Form of Arbitration Procedure of The American Institute of Architects or of the Rules of the American Arbitration Association.

ARTICLE 20. Cleaning Up.—The Contractor shall keep the premises free from accumulation of waste material and rubbish and at the completion of the work he shall remove from the premises all rubbish, implements, and surplus materials and leave the building broom clean.

### **SPECIFICATIONS**

The order of subjects which is used here permits an easy and logical description of the work included in a small house. In preparing specifications, however, it is better to follow the usual custom of describing the work to be done under the heading of the trade which according to local custom is responsible for that operation, such as masonry, carpentry, plumbing, etc. The description of the work desired should describe the finished result together with only the necessary features that are essential to secure good quality of materials and workmanship. A full description of the way in which a particular job is actually to be done is unnecessary.

Clearing Site.—The exact extent of clearing to be done should be specified and definite provision made for the preservation and protection of such trees, shrubs, and other natural features as may be agreed

upon between Contractor and Owner.

Excavation.—Describe the quality of excavation work desired, listing all items including that for the cellar, footings, piers, plumbing lines, dry wells, septic tanks, drains, etc., and giving the minimum depths below finish grade for each item, if it is not shown on the drawings. State by whom each item of excavation shall be done. State also the method of paying with unit price for excavation in the case of unforeseen circumstances which may arise, such as the need to dynamite large boulders or rock.

Backfill and Grading.—State the extent of backfilling to be done and the materials to be used, and by whom extra material shall be furnished, if needed. State what disposition is to be made of the topsoil removed and the depth to which it shall be removed. State

what shall be done with surplus excavated material.

Specify exactly what other grading, if any, is to be included in the contract; and if additional materials are required, specify the quality of the workmanship and of the materials and by whom they shall be supplied.

Footings.—Describe the construction of footings and the materials to be used and give the sizes, if not shown on drawings, for each class

of footing (under walls, piers, chimneys, etc.).

Foundation Walls.—Describe the foundation walls, piers, etc., giving the materials and methods of construction to be used. If there is to be a portion of the house under which no cellar is to be built, describe the method of ventilation of this portion and the distance from the first floor joists to the ground level.

Cellar Floors.—Describe the cellar floor, its composition, including sub-base and finish, thickness, reinforcement, if any, method of

drainage, etc.

Chimneys.—State the materials to be used in the construction of the chimney; how flues, cap, fireplace, and hearths are to be built; what thimbles, cleanouts, etc., are to be incorporated. If the frame of the house is of wood, describe under Framing how the frame will

be formed around the masonry of the chimney.

Outside Steps, Porches, Terraces, and Walls.—Describe the construction of any outside steps, masonry, porches, terraces, and retaining walls to be included.

Walks and Driveways.—State what walks and driveways are in-

cluded in the contract and describe their construction.

Framing.—State what material is to be used in framing. If wood is to be used, give the kinds, grades, and sizes to be used for sills, plates, girders, joists, studs, corner posts, wind-bracing, bridging, fire stops, rafters, ridge pole, sheathing, subflooring, etc., and describe the manner of erection. Describe the manner in which all openings in floors, walls, and partitions shall be framed. The requirement that lumber shall be grade-marked will provide protection as to the quality of material furnished.

Exterior Walls.—Describe the materials to be used for exterior

wall finishes, stating quality, sizes, and methods of erection.

Roof.—State the kind of roofing to be used, giving the grade and, if a trade-marked product is to be used, the manufacturer's name, and

describe the method of laying.

Sheet Metal.—State what kind and weight of metal is to be used for flashing chimneys, dormers, vents, window and door heads, valleys, intersections of roofs with walls, etc., and describe the method of installation. State where counter flashing is to be installed and describe the methods and materials to be used. Describe leaders and gutters and how and by whom they are to be connected to the drains.

Ornamental and Structural Iron and Steel.—State where iron and steel lintels, beams, columns, anchor bolts, etc., are to be used and give the sizes and method of installation. Describe any orna-

mental iron railings, grills, etc., required.

Interior Wall and Ceiling Finishes.—State the kinds of wall and

ceiling finishes to be used and describe fully.

Trim.—State the kind and quality of material to be used on exterior and interior trim, such as baseboards, mouldings, cornices, etc. If detailed drawings are to be furnished or stock items are to be used, it should be stated. All stock item numbers should be listed. Describe the mantels to be used. Describe the construction of all stairways, giving the quality and kind of materials used for each part.

Windows and Doors.—Give the style, material, quality, thickness, and sizes of windows, and exterior and interior doors and frames if not shown on drawings. Where double hung windows are to be installed, describe how they are to be controlled. Where patented devices are to be used, give the manufacturer's name and the style

and number of the devices.

Rough Hardware.—State by whom the rough hardware is to be furnished.

Screens and Storm Sash.—State what openings are to be screened and describe the types to be used, giving the kinds of materials for frames and screen cloth, and the methods of operation.

If storm sash are to be supplied, enumerate the openings to be protected, and describe the construction, quality, and means of installation of the sash.

Closets.—Describe the interior fittings of clothes closets, linen closets, broom closets, and any other closets that may be included.

Built-In Accessories.—Describe fully, kitchen cabinets, bookcases, medicine cabinets, and other built-in accessories, giving the sizes, kinds, and quality of materials for each. If stock items, give manufacturer's name and item number. If they are specially designed, drawings should be furnished.

Finish Foors.—State the kinds or materials of finished floors to be installed, giving the quality, sizes, and method of laying and finishing

for each room.

Painting.—State the mixture of paint materials to be used, giving the qualities and manufacturer's name. If ready mixed paints are used, state manufacturer's name and trade-mark name. State the number of coats to be applied on the various parts of the work, and colors, or the method of determining colors to be used.

Glazing.—State the quality and thickness of glass to be used and

describe its installation.

Finish Hardware.—State the amount to be allowed for the purchase of finish hardware and the types to be installed, or list the different items to be used and give the manufacturers' name and catalog numbers of each item.

State by whom finish hardware is to be installed.

Plumbing.—Give the sizes and materials of all soil lines, vents, drains, hot and cold water lines, gas lines, and any other piping to be installed. Describe the fittings and methods of installation. State what excavating is to be done by the plumber and whether or not he is to do his cutting and patching. State also who is to make connection with public water supply and sewage systems.

List all fixtures and give the manufacturers' name and catalog

numbers of each item.

Describe the system of hot water supply.

Heating.—Describe the heating system. Give the names of the manufacturers and the catalog numbers of the heater and other manufactured parts of the system.

If not shown on the plans, list the amount of radiation or the sizes

of registers and their location for each room.

Electric Work.—Describe the type of wiring to be used. State the number of circuits to be installed and the number of outlets per circuit. State the allowance for lighting fixtures, and by whom they are to be installed. Describe the way in which connection is to be made to service lines.

If not shown on the plans, list all outlets and switches and where they are to be located.

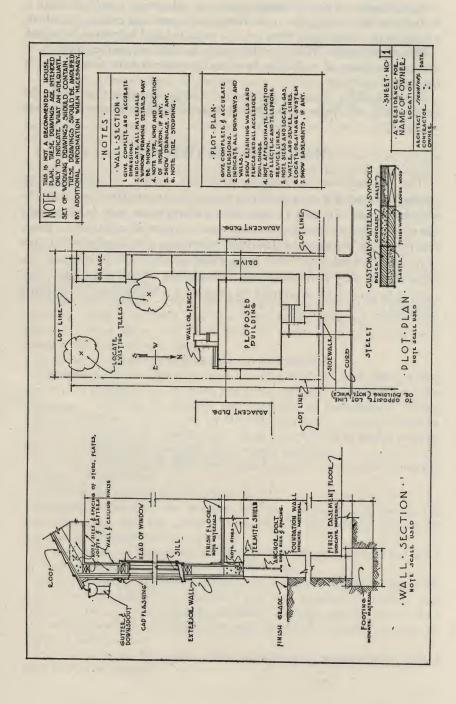
Equipment.—List all equipment, not otherwise specified, that is to be installed, giving the manufacturers' name and catalog numbers, and state by whom each item is to be supplied and by whom installed.

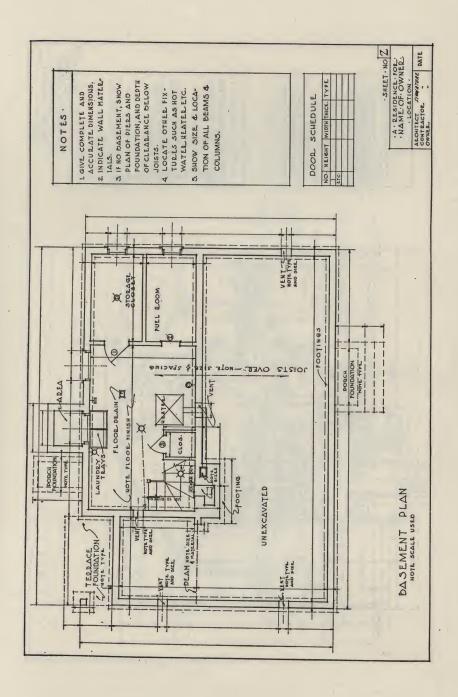
Miscellaneous.—Weather stripping, insulation, waterproofing, or any other items of work not specifically covered here shall be fully described.

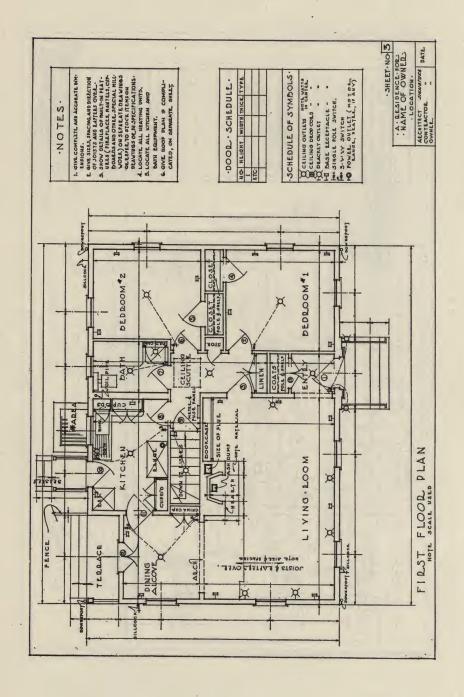
Garage.—If a separate garage is to be included in the work, describe fully all items of work and special equipment and hardware necessary.

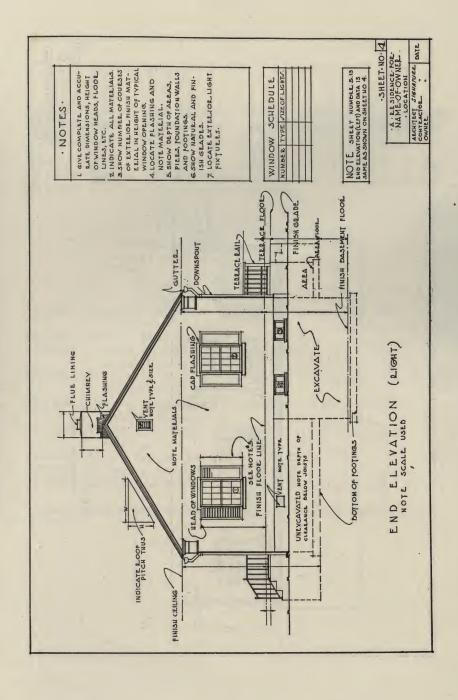
### **WORKING DRAWINGS**

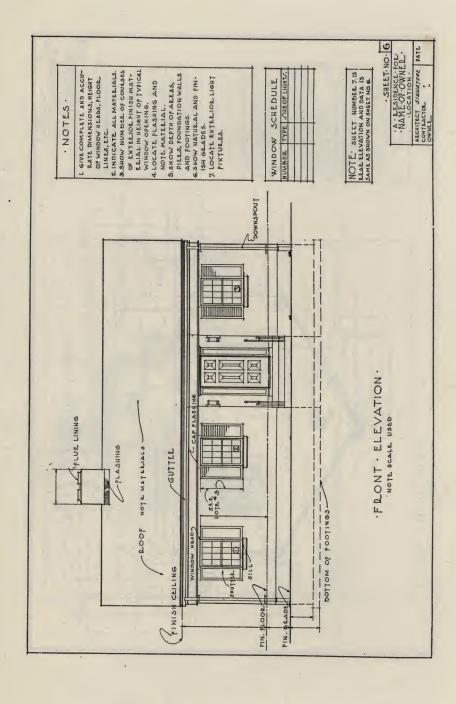
The illustrations of working drawings shown on the following pages are intended as a guide to assist in the preparation of working drawings. In many cases more information may be necessary than is shown on these plans, however, where the plans are for a small simply constructed dwelling, they need not contain all of the information indicated. To reduce the number of illustrations we have shown only two elevations. Elevations of the front, rear, and each side should be submitted to provide a complete set of working drawings.











# PUBLICATIONS OF THE FEDERAL HOUSING ADMINISTRATION FOR SALE BY THE SUPERINTENDENT OF DOCUMENTS, GOVERNMENT PRINTING OFFICE, WASHINGTON, D. C.

Ferm No.	Description	Price
FHA 2075	Borrowers' Record Pass Book	\$0. 20
FHA 2049	Underwriting Manual (Rev. Feb. 1938):	
	Paper bound	. 75
	Buckram bound	1. 25
	FHA Insured Mortgage Portfolio (issued monthly):	
	Per copy	. 15
	1 year's subscription	1. 50
	Foreign:	
	Per copy	. 20
	1 year's subscription	2. 10
FHA 2212	Recent Developments in Dwelling Construction (Rev.	
	1/1/37)—Technical Bulletin No. 1	. 05
FHA 2213	Modern Design (Technical Bulletin No. 2)	. 05
FHA 2046	Contract Documents for Small House Construction (Rev.	
	2/1/38)—Technical Bulletin No. 3	. 05
FHA 2219	Principles of Planning Small Houses (Rev. 7/1/38)—Tech-	
	nical Bulletin No. 4	. 10
FHA 2242	Planning Neighborhoods for Small Houses (Rev. 7/1/38)—	
	Technical Bulletin No. 5	. 10
FHA 2370	Planning Profitable Neighborhoods (Technical Bulletin	
	No. 7)	. 20
FHA 2331	Insured Mortgage Yield Tables	. 05
FHA 2042	Illustrative Case (Rev. 2/15/38)	. 10
FHA 2421	Architectural Planning and Procedure for Rental Housing	. 10

Other informative material obtainable from a local insuring office or Washington, D. C.

## Digitized by



ASSOCIATION FOR PRESERVATION TECHNOLOGY, INTERNATIONAL www.apti.org

BUILDING TECHNOLOGY HERITAGE LIBRARY

https://archive.org/details/buildingtechnologyheritagelibrary

From the collection of:

Alan O'Bright